INSURANCE PRACTICES IN FIRST AND SECOND CLASS CITY SCHOOL DISTRICTS OF KANSAS

By

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Approved by:

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May, 1928.

Dedicated to

my wife,

Wealthy L. Fleming,

and

my daughter,

Leah Pauline Fleming.

ACKNOWLEDGEMENTS

The writer very gratefully acknowledges his indebtedness to Dr. J.W. Twente for suggesting the subject of this investigation, and for giving many helpful criticisms during its prosecution. He wishes, also, to express his appreciation of the hearty cooperation of the Local Board of Insurance agents, Lawrence, Kansas, for helpful assistance and suggestions relating to the questionnaire forms used in the investigation. Finally, grateful acknowledgement is made to the fifty-four city school superintendents and authorities who took the time to supply the information requested in the insurance questionnaire.

L.A.F.

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CHAPTER I

INTRODUCTION

The primary purpose of this study is the discovery and presentation of the essential facts regarding school insurance practices in first and second class city school districts of Kansas. A secondary problem is that of suggesting plans and principles for the improvement of insurance practices.

The study is limited to first and second class city school districts because the data from these schools were more accessible and more extensive.

Insurance is an important factor in every school district, not because it is a large item in itself, but because it stands for a large one, - protection. If not wisely expended, or if not expended at all, it may result in creating the largest item.

It has been estimated that five school buildings burn every day of the year in the United States, involving a yearly loss of approximately $5,000.000.00.[1] To protect against such losses, 30 Kansas school districts have paid, during the five years 1923 to 1927, inclusive the estimated sum

[1] Melchior, William T. "Insuring Public School Property", p. XV.

of $263,905.00.[1]

Fire losses in Kansas schools and colleges during the eight years 1920 to 1927, inclusive, reached the startling total of $1,324,816.00.[2] These losses, which are perhaps typical of many states, raise the questions: Does it pay to insure school property? If it does, to what extent should school districts insure?

A study of this nature is further justified by the fact that no important study of public school insurance has been made in Kansas. For the United States as a whole, only one extensive study has been made.[3] Other studies covering certain phases of insurance are extant, but they are limited in extent, and only very meager data are available.

These preliminary statements, and the need for a guide to schoolmen seeking advice on school insurance, include the possible premises upon which this study is based.

[1] See Table XXVI

[2] Annual Reports, State Fire Marshal, 1920-1927.

[3] Melchior, William T. "Insuring Public School Property",

Summary

The problem of this study is the discovery and presentation of the essential facts regarding insurance practices in 54 first and second class city school districts of Kansas, and to offer suggestions for improving the methods of insuring.

The problem is justified by : (1) heavy losses to school districts, resulting mostly from fires, (2) the fact that no study of insurance practices has been made for Kansas, and (3) the need for information on the best methods of insuring school property.

CHAPTER II

RELATED LITERATURE

Melchior's[1] intensive study presents findings and conclusions so involved and numerous as to make it impractical to give more than a very general summary here. The study is a detailed report of insurance practices, costs, and losses in New York state; a general report of insurance practices in cities of the United States; a compilation of statutory provisions for insurance of public school property of the several states, and a symposium on "Insurance in Public Schools", by thirty insurance executives. The questionnaire method was used for collecting the original data. Principles are formulated for insuring school property, and for protection against indemnity for employees and the public.

Thomas[2] studied the appraisal of school buildings for 22 cities, and found that school

[1] Melchior, William T. "Insuring Public School Property".

[2] Thomas, R.H., "Investigation of a System of Appraisal of School Properties", American School Board Journal, August, 1925, p. 108.

authorities in these cities evaluated school buildings from the following five viewpoints: (1) valuation at original cost plus the cost of betterments, (2) valuation at replacement cost, (3) valuation on the basis of first cost plus the cost of betterments minus the depreciation, (4) valuation on the basis of reproduction minus depreciation, and (5) evaluation by assessors. Thomas concludes that evaluation of school property should be made on the following bases: (1) tabulate cost of buildings and cost of betterments, (2) determine the valuation by the cubic unit plan, securing the desired flexibility by revising the replacement costs every five years, and by correcting the depreciation rates when necessary, (3) assume a period of life as determined by the factors of physical depreciation, obsolescence, and potential utility of the building, (4) work out depreciation tables for each type of building, on the basis of the straight line depreciation curve, and (5) work out the present value of each building from the depreciation tables.

Bruce[1] reports a study of fire insurance made

[1] Bruce, William G., American School Board Journal, April 1, 1925, p. 101.

for the state of Pennslyvania by a committee of the Association of School Board Secretaries. This study revealed the fact that the total amount of insurance carried by 184 school districts was $108,655,043.00. The losses for one year in these districts amounted to only about 30 per cent of the premiums paid. The committee recommended some form of state insurance.

Nolting[1] made a study of costs and losses for five years on school buildings in 25 Kansas cities. He concluded that in only two cities was the loss greater than the amount paid out in premiums during the same period. For nine cities reporting losses, the amount was $505,120.00, or 42.4 per cent more than the amount expended by 16 cities for insurance.

Summary

Melchior's intensive study of school insurance in New York state is the most complete work in the field of school insurance. Thomas, Bruce, and Nolting reported studies regarding certain phases of insurance practices in school districts.

[1] Nolting, Orin F. "Municipal Insurance", p. 31.

CHAPTER III

DEFINITION OF THE PROBLEM

The specific problem of this study is threefold: (1) the securing of facts regarding insurance practices in first and second class city school districts of Kansas, (2) the presentation of these facts, and (3) the presentation of suggestions and principles for the improvement of insurance methods.

An attempt is made to find a solution to the problem by discovering and presenting answers to the following specific questions:

1. What kinds of insurance do Kansas school authorities write?
2. What is the present appraised value of public school property?
3. What methods do Kansas school authorities use for insuring school property?
4. What is the total amount of insurance carried on the school property reported?
5. What is the ratio of insurance premiums to actual indemnity collected?

Chapters V to IX, inclusive, have for their purpose the presentation of collected materials which will in part answer the above questions.

CHAPTER IV

METHOD AND DATA

Method

The questionnaire method was used for collecting the original data in this study. A printed form was sent to all school superintendents in first and second class cities. For the preparation of the insurance inquiry, calling for INFORMATION REGARDING SCHOOL INSURANCE PRACTICES, considerable time was devoted to a survey of the literature on the subject of insurance, and to conferences with instructors and insurance men. When finally prepared, the form was approved by the Local Board of Insurance Agents, Lawrence, Kansas.

The questionnaire form is shown on pages 11 and 12. An explanatory letter is printed on the first page of the form. The forms were sent to all first and second class city school superintendents on March 13, 1928. By March 28, forty completed forms had been received. On this date a supplementary letter[1] was sent to the 46 districts that had failed to respond to the first inquiry. This second letter was

[1] See page 13.

instrumental in securing returns from 14 additional cities.

Data

The data from the replies to the questionnaire were supplemented by materials from the office of the State Fire Marshal, Topeka, Kansas, and by the literature on the subject of school insurance. The writer visited the office of the school superintendent in Kansas City, Kansas, and secured the necessary information directly. With this one exception, the data were compiled from the insurance forms received complete from 54 first and second class city school districts.

Table I shows for each class of city the number of buildings reported, the districts represented, and the authority responsible for completing the questionnaire forms.

TABLE I

Public Schools - State of Kansas

RETURNS ON INSURANCE QUESTIONNAIRE

Class of City	No. of Forms Completed By the Sup't	No. of Forms Completed By the Clerk	No. of Forms Completed By Insurance Agent	No. of Districts Reporting	No. of 1st and 2d Class Cities in State	Per Cent of Districts Reporting	No. of Bldgs Reported
1st	4	5	9	9	11	82	201
2d	28	16	1	45	76	59	212

The writer realizes that data are of little value unless the original sources are reliable. Over 75 per cent of the returned forms were almost completely answered. The exceptions were confined mostly to costs and losses.

A study of Table I will show that most of the forms were completed by superintendents. There is evidence to believe that in most cases, the most competent authority in each district filled in the blanks of the questionnaire. Several superintendents also evinced their interest by sending additional information not requested in the inquiry. A number of unsolicited requests for digests of the study were received.

In the compilation of data, all material of doubtful validity has been discarded.

SUMMARY

The original data in this investigation were collected by using the questionnaire method. Nine first class cities and 45 second class cities returned the completed forms. The reports cover 201 buildings in first class cities and 212 buildings in second class cities. Most of the questionnaire forms were completed by city superintendents of schools.

UNIVERSITY OF KANSAS
SCHOOL OF EDUCATION
LAWRENCE, KANSAS

March 13, 1928

The SUPERINTENDENT OF SCHOOLS:

With the approval of the School of Education in this University, I am undertaking a study of insurance practices in First and Second Class City School Districts of Kansas. In order to make this study truly representative, and of practical value to school administrators, I am requesting each city superintendent to fill in the blanks of this inquiry as completely and accurately as possible. Your cooperation is essential for the successful completion of this study, and will be greatly appreciated. Please use the self-addressed envelope for the return of the completed form.

Yours sincerely,

INFORMATION REGARDING SCHOOL INSURANCE PRACTICES

Name of City.....

I. KINDS OF INSURANCE

1. Kindly check below the kinds of insurance carried at present or at some time during the past year by your school district.

.....Boiler	.....Fire insurance on school buildings
.....Automobile	.....Fire insurance on building contents
.....Plate Glass	.....Fire insurance on fixed improvements
.....Burglary	.....Insurance on athletic teams
.....Lightning	.....Insurance on athletic events
.....Public Liability	.....Cyclone, Tornado, or Windstorm

2. If you carry any other kinds of School insurance please describe:.....

II. DATA ON SCHOOL BUILDINGS

1. Total number of school buildings in your district:.....
2. Total number of buildings insured:.....
3. Total amount of insurance carried on all buildings: $.....
4. What per cent of the appraised value of your insured buildings is covered by insurance?.....%
5. Number of buildings insured against damage by hail.....
6. Is the cost of foundations below street level, underground pipes, excavations, and sidewalks included in the total amount of insurance carried? Yes..... No .....

III. METHODS OF INSURING SCHOOL BUILDINGS

1. Who determines the value of your school buildings in the placement of fire insurance? (Please check below)

.....School Authorities .....Building Contractor .....Insurance Company .....Some other agency

2. How frequently are buildings appraised? (Please check below. If there is no definite, appointed time, give approximate)

.....Every year .....Every two years .....Every three years .....Every five years
.....at some other frequency

3. Is the value of the building contents (equipment, etc.) determined by taking an inventory? Yes..... No.....
4. If so, who makes the inventory?..... How often.....
5. Check the type of companies which write your insurance. Stock Companies.....
   Mutual Companies .....
6. Do you include school insurance costs in your annual school budget? Yes..... No.....
7. What is the total number of individual policies now in your possession, for the protection of your school buildings?.....
8. How many of your policies fell due in 1927?..... How many will fall due in 1928?.....
9. Check below the term of years for which the policies you now hold are written. (Please place the letter "a" in the blank desig nating the term for which MOST of your policies are written.)

.....One year	.....Combination of 1, 3, and 5 years
.....Two years	.....Combination of 1 and 3 years
.....Three years	.....Combination of 3 and 5 years
.....Five years	.....Some other term

10. What per cent of your total insurance premium is paid each year? (If you cannot state exactly, please give approximate)

.....%.

11. Who places (assigns to companies) the insurance for your school district?.....

12. Do you distribute your insurance among several insurance companies? Yes..... No.....

13. If so, how do you determine the amount of insurance to be assigned to each company?.....

14. Check below the form or forms of policies you use.

.....Insurance on each building with a separate policy for each building. (Specific)

.....Insurance on all buildings, but under one policy form. (Schedule)

.....One amount of insurance covering all buildings. (Blanket)

15. Do you have a local city insurance board? Yes..... No.....

16. Do your policies contain the Co-insurance clause? Yes..... No.....

17. If so, state the percentage:..... .....%

18. State the present rate (cost of insurance per $100.00) of insurance: With the Co-insurance clause: .....%; Without the Co-insurance clause: .....%.

19. Smallest amount of insurance you permit any one company to write: $.....

20. Largest amount of insurance you permit any one company to write: $.....

IV. INSURANCE COSTS AND LOSSES

1. Total cost of fire insurance on school buildings, fixed improvements, and contents for the past five years, 1923 to 1927 inclusive: $.....

2. Total amount of indemnity collected for fire losses in last five years: (1923-1927) $.....

3. Causes of fires: .....

4. Has your school district at any time in the past had losses from boiler explosions? Yes..... No.....

V. RECORD OF INSURANCE POLICIES

1. Do you have a method for keeping a "Record of Insurance Policies" from which you can secure data? Yes..... No.....

2. If you have a printed form, kindly attach one to this blank.

VI. SUGGESTIONS, REMARKS, AND COMMENTS INVITED HERE:

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Signature.....

Official Title.....

UNIVERSITY OF KANSAS
SCHOOL OF EDUCATION
LAWRENCE, KANSAS

Supplementary Letter

March 28, 1928

Superintendent of City Schools,

My dear Sir:

You will probably recall receiving a letter from me dated March 13, inviting your cooperation and assistance in a study of insurance practices in first and second class city school districts of Kansas. That letter was directed to all city superintendents in first and second class cities. A complete report has been received from many, but your school has not yet been credited with the return of the completed form. I am including an additional blank for your use in case you find need for it.

We want the city schools well represented in this study, and we believe that the schools in turn will find the results of this investigation of considerable practical value. A number of superintendents have requested a digest of the results, and these will be made available for all who request them.

Won't you please have the completed form returned to me in the enclosed envelope without further delay, unless for some reason you prefer not to have your school included in the study? If the latter be true, will you please inform me that I need not await a report from your school? I am assuming that you have simply overlooked or unintentionally delayed sending the information requested.

Sincerely yours,

CHAPTER V

KINDS OF INSURANCE

The first part of the insurance questionnaire called for the KINDS OF INSURANCE carried by each first and second class city school district. Of the 54 reports received, 9 were from first class cities, and 45 were from second class cities. Table II shows the reports from the cities and the number of districts of each class of city carrying each kind of insurance.

TABLE II

Public Schools - State of Kansas

KINDS OF INSURANCE

Class of City	Total No. Districts Reported	Kinds of Insurance Carried					
		Boiler	Auto --	Plate Glass	Burglary	Lightning	Public Liability
1st	9	9	5	9	1	5	1
2d	45	29	6	1	2	20	4

TABLE II (Continued)

Class of City	Total No. Districts Reported	On School Bldgs	On Contents	On Fixed Improv.	On Athletic Events	Wind Storm ---	Hail -- --
1st	9	9	9	7	1	9	0
	45	45	40	12	13	43	18

The report on KINDS OF INSURANCE CARRIED includes 81 per cent of all first class cities in the state, and 60 per cent of all second class cities.

Table II shows that all districts carry fire insurance on school buildings, and all except 3 districts have some form of protection against windstorm. This may be either wind, cyclone, or tornado. Boiler insurance is carried by all first class cities and by 29 second class cities. Lightning protection is assured for 25 cities. Only 11 cities insure automobiles. The contents of buildings are insured by 49 districts.

Kansas City, Lawrence, and Winfield carry burglarly insurance. It is interesting to note that Frontenac is the only city reporting insurance on plate glass. Only 5 cities (Wichita, Concordia, Sabetha, Frontenac, and Winfield) carry public liability insurance. The public liability insurance in Wichita protects against accidents arising from the transportation of colored children to schools removed some distance from their place of residence.

Summary

Fifty-four first and second class city school districts carry 12 different kinds of school insurance. All of the districts carry insurance on school buildings, and most of them insure contents, fixed improvements, and boilers.

CHAPTER VI

ANALYSIS OF SCHOOL PROPERTY VALUES

Since the purpose of insurance is to compensate for financial loss based on actual values, a study of insurance practices must include an analysis of school property values.

The insurance inquiry called for the number of school buildings insured, the total amount of insurance carried on all buildings, and the per cent of the appraised value covered by insurance. The value of buildings, contents, and fixed improvements as separate units was not called for, as this would have required an unusual amount of clerical work on the part of those who answered the questionnaire. However, the returns provided extra data that were sufficiently complete to make possible an analysis of a representative number of buildings and their contents separately, as well as combined.

Of the 54 districts replying, 6 failed to include the total amount of insurance carried, and five omitted the ratio of insurance to appraised value. Only one district failed to report the total number of buildings insured.

Valuations of school buildings, and the methods of computing them have supplied topics for much discussion among school authorities. The best valuation for insurance purposes is doubtless that of "sound value", a term defined by insurance companies as "present replacement value less depreciation".[1] The school district of Methuen, Massachusetts, used the original cost of buildings as the basis of arriving at sound value.[2] The depreciation was computed by referring to a "curve of depreciation". Since the problem of depreciation will be discussed under another topic, no further reference to it will be made in this chapter.

Since it is quite evident that the first and second class city school districts of Kansas have no uniform and scientific method of figuring depreciation, the use of sound values would not be valid for this study. Approximately 30 per cent of the districts reported irregular periods for the appraisal of school buildings, and this fact alone supplies ample evidence that the term "sound value" would not have the same meaning in every district.

[1] Melchior, Wm. T., "Insuring Public School Property", p. 13.

[2] Allen, J.E., "Placing School Building Insurance", American School Board Journal, March, 1919, p. 38.

In view of the above stated facts, this study will use appraised value as the basis for making an analysis of school building values. The term may be defined as an evaluation by school authorities for the purpose of insurance. This term may or may not include provision for a reasonable deduction for depreciation.

Appraised value is computed by using the percentage of appraised value insured as a starting point. For example, if the total amount of insurance carried is $100,000.00, and the ratio of insurance to appraised value is 80 per cent, the actual appraised value is $125,000.00. This method of computation will give results that are approximately correct, and adequate for the purposes of this study.

This chapter analyzes school property values under the following heads: (1) appraised value of buildings, contents, and fixed improvements combined, (2) appraised value of buildings separately, (3) appraised value of contents separately, and (4) appraised value of buildings and contents combined.

Table III shows the appraised value of buildings, contents, and fixed improvements combined, for each class of city for 47 districts.

TABLE III

Public Schools - State of Kansas

APPRAISED VALUE OF BUILDINGS, CONTENTS, AND FIXED IMPROVEMENTS FOR EACH CLASS OF CITY IN 47 DISTRICTS

Class of City	Number of Districts Reported	Number of Buildings Reported	Appraised Value of Buildings, Contents, & Fixed Improvements	Average Valuation
1st	9	201	$18,496,320.00	$92,021
2d	38	180	$13,865,123.00	$77,028

The above table summarizes data only for those districts reporting insurance on buildings, contents, and fixed improvements. A number of districts reported insurance on two items, as buildings and contents, but these reports were not included in this particular analysis, as their results would not be entirely comparable. The largest unit to be considered in a study of insurance practices is the school district. For general purposes it is the usual practice to consider the building and all that it contains as the unit.

It is interesting to note that average valuation of school buildings in first class cities exceeds the average valuation of buildings in second class cities by $14,993.00. This ratio might be changed if all the buildings in the state were compared.

TABLE IV

Public Schools - State of Kansas

APPRAISED VALUE OF 127 BUILDINGS

Range, Median, and Average in Each Class of City

Class of City	No. of Bldgs	Appraised Value --	Range of Values --	Middle Range --	Median -- --	Average -- --
1st	60	$3,854,500	$5,500 to $360,000	$23,111 to $63,570	$42,777	$51,593
2d	67	$3,504,690	$ 2,222 to $220,000	$,16,750 to $62,833	$37,333	$52,308

Table IV shows the appraised values of 127 buildings in first and second class cities. Data were not available for all the buildings in the state; consequently, the above analysis applies only to the buildings considered.

The table shows that the difference in the average value of school buildings for the two classes of cities is not great. The most significant difference is in the range of values, although even here the middle range for the two classes of cities shows only a slight difference.

TABLE V

Public Schools - State of Kansas

APPRAISED VALUE OF CONTENTS FOR 49 BUILDINGS

Range, Median, and Average in Second Class Cities

Class of City	No. of Bldgs	Appraised Value of Contents	Range of Values --	Middle Range --	Median -- --	Average -- --
2d	49	$262,583	$166 to $27,777	$1,950 to $7,857	$2,750	$5,354

Only contents of buildings in second class cities are analyzed in Table V. Of the 54 districts reporting, only four did not carry insurance on contents.

The extremely low value of contents in some buildings is to be explained by the fact that some cities were using buildings that were temporary, and of low appraised value. The more expensive the building, the greater was the value of contents, in practically every case.

The 49 buildings studied and summarized in Table V were reported by 9 cities, and are fairly representative.

While the above data are very meager, they show the analysis that is necessary in the study of insurance practices, and suggest the extent to which it may be carried.

TABLE VI

Public Schools - State of Kansas

APPRAISED VALUE OF BUILDINGS AND CONTENTS IN 8 DISTRICTS

Range, Median, and Average in Second Class Cities

Class of City	No. of Bldgs	Appraised Value --	Range of Value --	Middle Range --	Median -- --	Average --- ---
2d	49	$,730,697	$2,444 to 250,000	$20,416 to $76,875	$43,571	$55,728

Table VI gives data regarding appraised value of buildings and contents combined, in 8 second class cities.

The importance of these tables is to be found in the fact that they furnish the only data of this kind for Kansas, and also suggest the extent to which analysis of school property may be carried. The yearly reports to the State Deaprtment of Public Instruction do not show the range distribution in school building values, and make no attempt to segregrate buildings, contents, and fixed improvements.

Analysis might profitably be made with reference to the type of building and with reference to its construction, if the data were available.

The school administrator might well ask the question: How do Kansas school authorities insure school property? Do they insure buildings and contents separately, or do they carry "blanket" insurance? This study will attempt to answer this question, and similar queries in Chapter VII. However, from the standpoint of frequency of use, it is interesting to note that 19 districts reported insurance carried on all buildings, contents, and fixed improvements; 31 reported insurance on buildings and contents, and 4 reported insurance on school buildings alone.

Summary

The total appraised value of insurable school property in 47 first and second class city school districts is approximately $32,361,443.00. The average valuation of first class city school buildings is $92,021.00, and the average for second class cities is $77,028.00. The appraised value of 127 school buildings in second class cities range from $2,222.00 to $360,000.00. The appraised value of the contents of 49 second class city school buildings range from $166.00 to $27,777.00.

CHAPTER VII

METHODS OF INSURING SCHOOL PROPERTY

The purpose of this chapter is to find an answer to the following question: How do school authorities in first and second class city school districts of Kansas insure public school property?

The problem will be discussed under the following heads: (1) insurance companies, (2) insurance policies, (3) concurrency of policies, (4) allotment of insurance, (5) insurance records, (6) appraisal of school buildings, and (7) appraisal of contents.

Insurance Companies

The two kinds of insurance companies operating in the state of Kansas are mutual and stock. The insurance inquiry called for the kinds of companies carrying insurance in first and second class cities. Of the 54 districts reported, 41 insured in stock companies, 3 in mutual companies, and 8 in both stock and mutual companies. Two cities did not report the kind of company.

Table VII shows the number of districts in each class of city carrying insurance in stock companies, mutual companies, and combinations of the two, respectively.

TABLE VII

Public Schools - State of Kansas

NUMBER OF DISTRICTS INSURING BUILDINGS AND CONTENTS WITH STOCK AND WITH MUTUAL COMPANIES

Class of City	Number of Districts	Stock Companies	Mutual Companies	Stock and Mutual Companies	Type Not Indicated ---
1st	9	9 -	0	0	0
2d	45	32	3	8	2

All first class city districts carry insurance in stock companies, while 71 per cent of second class cities patronize this kind of company. The first class cities do not insure in mutual companies, and only 3 second class cities do. Eight second class cities insure in both stock and mutual companies. Seventy-six per cent of all districts reporting carry all of their insurance in stock companies.

There seems to be a current belief to the effect

that it is illegal for school authorities to insure school property with mutual companies. Melchior says that "....contrary to current opinion, public school districts of New York State may insure in mutual companies, legally authorized to do any insurance business within the state."[1] There seems to be some doubt regarding such legality in the state of Kansas, although no definite opinion has been stated by the courts. School districts might well make certain that insurance placed with mutual companies is binding, otherwise considerable loss might result from failure to collect indemnity.

Insurance Policies

A fire insurance policy is ".... a contract made by the insurer and the insured under the terms of which the insurer agrees to indemnify the insured for loss.... to his property as . . . . result of fire".[2]

There are three general forms of the

[1] Melchior, William T., "Insuring Public School Property", p. 60.

[2] Ibid.

insurance policies that apply to school buildings. The specific form is a separate policy covering each building, or property unit. It may be correctly regarded as insurance on each building, with a separate policy for each building.

The schedule form is practically equivalent to the specific form in results. However, the latter protects two or more buildings, under one form. This form of policy may include all the buildings in a district.

The blanket policy form covers a building and its contents. It may also cover two or more buildings, or other property units. It contains one amount of insurance covering all property. The blanket form makes no definite distribution of amounts on separate units, whereas the schedule form states the amount on each unit of property insured.

Table VIII shows for each class of city the number of districts insuring under specific, schedule, and blanket forms, respectively, as well as districts insuring under two or more of these forms.

TABLE VIII

Public Schools - State of Kansas

NUMBER OF DISTRICTS INSURING UNDER SPECIFIC, SCHEDULE, AND BLANKET POLICY FORMS

Class of City	Spec.	Sched.	Blanket	Combinations of			
				Spec. and Sched	Spec. and Blank	Sched. and Blank	Spec., Schedule, & Blanket
1st	5	0	2	0	0	0	2
2d	25	12	6	0	0	1	0

The above table covers returns from 53 districts. One district failed to report the form of policy used.

First class city school districts prefer the schedule and blanket forms, while second class cities have a decided preference for the specific policy form. This is to be expected in districts having only a few buildings to insure.

Of the 53 districts reporting, 30 per cent used the specific form, 22 per cent used the schedule form, 15 per cent the blanket form, and less than 4 per cent make use of two or more forms. Thus a reasonable degree of uniformity is in evidence, although only to a limited degree. Whether or not either of the three forms is more desirable than the others, depends upon the insurance rate and upon the administrative economy in

handling the insurance.

Table IX shows the term of years for which insurance is written in first and second class city school districts, and the number of districts carrying insurance under each term.

TABLE IX

Public Schools - State of Kansas

TERM OF YEARS OF FIRE INSURANCE POLICIES

Number of Districts Insured Under Each Term By Class of City

Class of City	No. of Districts Reporting	Number of Buildings Reported	1 Yr	3 Yr	5 Yr	Combination of 1, 3, and 5 Yr	1,2, 4 and 5 Yr	1 and 2 Yr	1 and 5 Yr	3 and 5 Yr	2,3, 4 and 5 Yr
1st	9	201	1	2	3	2	0	0	0	1	0
2d	44	209	0	14	19	3	1	1	1	4	1

The above table shows that first class cities, in general, insure for a definite term of years, 1, 3, or 5. Only one first class city writes insurance for a combination term of years. Second class cities, too, insure for a single term of years, either 3 or 5 being the most frequent. The combination of terms that occur most frequently in second class cities are 1, 3, and 5, and 3 and 5, respectively. The general tendency is to write all insurance for a definite term of years.

One district failed to report the data called for in this table.

Table X shows the per cent of the reporting districts insured under each term, by class of city.

TABLE X

Public Schools - State of Kansas

TERM OF YEARS OF FIRE INSURANCE POLICIES

Per Cent of Districts Insured Under Each Term By Class of City

Class of City	No. of Districts Reported	No. of Buildings Reported	1 Yr	3 Yr	5 Yr	Combination of					
						1, 3, and 5 YR	1,2 4 and 5 yr	1 and 2 Yr -	1 and 5 Yr -	3 and 5 Yy -	2,3 4 and 5 Yr
1st	9	201	11	22	33	22	0	0	0	11	0
2d	44	209	0	31	43	7	2	2	2	8	2

The above percentage figures are correct to two decimal places. Of first class city districts, 66 per cent write all insurance for the same term of years, namely, 1, 3, or 5 years. Combination of terms is used by 33 per cent of first class cities. Some second class cities show the same tendency as first class cities. Only 16 per cent of the districts write policies for more than one term of years, while 74 per cent write policies either for 3 or for 5 years.

Table XI gives the per cent of districts insured under each policy term. The reports are combined in this table to show the practices for the state as a whole, without differentiating between the classes of districts.

TABLE XI

Public Schools - State of Kansas

TERM OF YEARS OF FIRE INSURANCE POLICIES

Per Cent of 53 Districts Insured Under Each Term

Number of Districts Reported	Number of Buildings Reported	1 Yr -- -- --	3 Yr -- -- --	5 Yr -- -- --	Combination of 1, 3, and 5 Yr	1,2 4, and 5 YR	1 and 2 Yr --	1 and 5 Yr -	3 and 5 Yr -	2,3 4 and 5 Yr
53	410	2	30	42	9	2	2	2	9	2

The above table points out the fact that 75 per cent of Kansas districts in first and second class cities limit their policy terms to either 1, 3, or 5 years. The remaining 25 per cent write insurance for more than one term. The combinations used most frequently are either the 1,3, and 5 year terms; or the 3 and 5 year terms. A number of the school superintendents reported that their particular district was rapidly changing to the one-term policy.

Table XII gives the number of individual insurance policies, now in force, on buildings and contents in first class cities. The policies represent fire and storm protection almost entirely; however, there are also a few policies included in the total number that represent other kinds of insurance.

TABLE XII

Public Schools - State of Kansas

Number of INDIVIDUAL INSURANCE POLICIES ON BUILDINGS AND CONTENTS IN FIRST CLASS CITIES

Range, Median, and Average For 8 Districts

Name of First Class Cities Reported	Total No. of Bldgs Reported	Total No. of Policies in Force	Ratio of the No. of Policies to the No. of Bldgs.	Range in the NO. of Policies per District	Middle Range
Atchison	6	35	5.8 to 1		
Fort Scott	7	131	18.7 to 1		
Kansas City	56	465	8.3 to 1	30 to 465	56 to 188
Leavenworth	11	160	14.55 1		
Parsons	8	30	3.7 to 1		
Salina	14	56	4 to 1		
Topeka	32	188	5.8 to 1		
Wichita	57	221	3.9 to 1		
Median Number of Policies per District			— 120		
Average Number of Policies per District			— 160.7		
Average Number of Policies per Building			— 6.7		

A careful review of Table XII will show that the average number of policies in first class cities is approximately 161. This applies to 8 cities. The range in number per district is all the way from 465 on one extreme, to 30 on the other. The median number of policies per district is 120. The above figures have more meaning when applied in connection with the number of buildings. In the eight cities, 191 buildings are protected by 1,286 policies, an average of 6.7 policies per building. Fort Scott has approximately 19 policies to the building, and Leavenworth averages nearly 15 policies to the building. These figures raise the important question: Do large numbers of insurance policies per building make for administrative efficiency? It is quite evident that the practice of writing insurance in small amounts, and thus increasing the number of individual policies on file in the district, is to be condemned. Furthermore, if insurance is pro-rated among several different companies, the indemnity will be paid in checks of small amounts. This still further aggravates a situation already complicated. The problem probably arises from the distribution of insurance among a large number of companies. This gives rise to the problem of the proper allotment of insurance, which will be discussed under a separate topic.

TABLE XIII

Public Schools - State of Kansas

NUMBER OF INDIVIDUAL INSURANCE POLICIES ON BUILDINGS AND CONTENTS IN SECOND CLASS CITIES
Range, Median, and Average For 33 Districts

Name of Second Class Cities Reported ---	Total No.of Bldgs Re-ported	Total No. of Policies in Force	Ratio of the No. of Policies to the Number of Bldgs.	Range in the No.of Policies per District	Middle Range -- -- --
Arkansas City	9	40	4.4 to 1		
Augusta	5	32	6.4 to 1		
Belleville	4	41	10.2 to 1		
Beloit	3	18	6.0 to 1		
Burlington	3	51	17.0 to 1		
Chanute	9	125	13.8 to 1		
Cherryvale	6	63	10.5 to 1		
Concordia	8	39	4.8 to 1		
Dodge City	6	55	9.1 to 1		
Emporia	9	104	11.5 to 1		
Fredonia	3	46	15.3 to 1		
Frontenac	3	7	2.3 to 1	2	34
Garden City	6	75	12.5 to 1		
Girard	5	44	8.8 to 1		
Goodland	4	41	10.2 to 1		
Hiawatha	5	51	10.2 to 1		
Holton	4	20	5.0 to 1	to	to
Horton	3	73	24.3 to 1		
Iola	8	52	6.5 to 1		
Kinsley	4	26	6.5 to 1		
La Happe	1	5	5.0 to 1	130	63
Larned	5	40	8.0 to 1		
Lawrence	11	62	5.6 to 1		
Marion	3	58	19.3 to 1		
McPherson	4	48	12.0 to 1		
Olathe	7	45	6.4 to 1		
Osawatomie	3	38	12.6 to 1		
Osborne	5	23	4.6 to 1		
Ottawa	6	130	21.6 to 1		
Pratt	3	72	24.0 to 1		
Sabetha	2	50	25.0 to 1		
Scammon	2	2	1.0 to 1		
Winfield	7	95	13.5 to 1		
Median Number of Policies Per district				- 48	
Average Number of Policies Per District				- 50	
Average Number of Policies Per Building				- 10	

Table XIII shows that second class cities have fewer insurance policies per district than do first class cities. Because of the lesser number of buildings this was to be expected. The average number of policies in 33 districts is 50, and the median number is 48. The extreme range in the number per district is from 2 to 130. The total number of buildings represented is 166. The average number of policies per building for the 33 districts is 10. In other words, 166 buildings are protected by 1,671 separate policies. Sabetha has an average of 25 policies for each building, and Scammon on the other extreme, has only one policy per building. The ratio of the number of policies to the number of buildings is shown for each of the 33 second class cities.

It is quite evident that both first and second class city school districts have too many separate policies for the protection of school property. Those districts having more than the median number of policies might well seek to reduce the number in the interest of greater efficiency.

Concurrency of Policies

The phrase "concurrency of policies", refers to insurance policies that are written so as to fall due on the same date. Information accompanying the returned questionnaire forms indicated that in many districts policies fall due nearly every month of the year. One district had several policies, and they not only fell due every month of the year, but also on different days in the same month. This necessitated the keeping of an index system which had for its major divisions the 12 months of the year.

In districts having a considerable number of policies, for the policies to fall due on many different dates necessitates extra clerical work and increases the possibilities of allowing the insurance to lapse through oversight. Communications received from superintendents indicate that school authorities are becoming cognizant of the value of having policies fall due at one or two stated times during the year. One superintendent reported that the policies of his district all expire on January first, but not in the same year.

Closely allied with the problem of concurrency is the problem of having equal amounts of insurance

fall due each year. In order to discover the practices of first and second class city school districts, the following query was included in the questionnaire: What per cent of your total insurance premium is paid each year?

Table XIV gives by class of city the number of districts paying and distributing insurance premiums by various plans.

TABLE XIV

Public Schools - State of Kansas

Number of Districts Paying and Distributing Insurance Premiums By Various Plans

Class of City	Number of Districts Paying				Number of Districts		
	One Third of Total Premium Each Year	One Fifth of Total Premium Each Year	Entire Premium Every Three Years	Entire Premium Every Five Years	Planning to Pay One Fifth Each Year	Reporting No Regulations	Not Reported
1st	1	2	1	0	1	2	2
2d	12	10	1	4	2	6	10

The above table shows that first class cities have no uniform distribution of time for making payment of insurance premiums. Two districts have their policies written so that one fifth of the total

insurance premium falls due each year. One district pays one third of the total premium each year, and one district pays the entire premium once every three years. Two first class cities have no regulations for the distribution of premiums. Two districts did not report their practice, and one is making plans to pay one fifth of the premium each year.

In second class cities, 12 districts pay one third of the total premium each year, 10 pay one fifth, 1 district pays the entire premium every three years, and four districts have their policies written to fall due every five years, in one lump sum premium. Two districts are writing all their policies for five-year terms, in such a manner that the entire premium falls due once every five years. Only 6 second class cities have no regulations for the distribution of premium payments. No reports were received from 10 districts.

The practice of having an equal amount of premiums fall due each year is doubtless the best practice, although this plan may be difficult to put into operation at once. This even, yearly distribution makes possible better budget making and also reduces the clerical work. All the policies expiring each year should fall due on the same date. This will reduce the task of caring for the premium payments

and renewals of policies.

A number of superintendents reported that they realized that their insurance was not written on a sound basis. A number of districts were engaged in making a complete change in their practices, and the proposed new plans were, for the most part, in accordance with sound insurance methods. These communications indicate a gradual movement towards rewriting all school insurance on a well-planned procedure.

The relation of insurance premiums to the annual school budget was revealed in the answers to the following question: Do you include school insurance costs in your annual school budget? Replies were received from 53 districts. All 9 of the first class and 42 of the second class cities include the insurance costs in the annual school budget. One second class city answered "no", and one reported that their school did not have an annual school budget. Only one city failed to answer the question.

Allotment of Insurance

The problem of making satisfactory allotments of school insurance to several insurance companies or agencies is one of the most difficult problems the school authorities must fact. The questionnaire

called for answers to the following questions: (1) Who places (assigns to companies) the insurance for your school district? (2) Do you distribute your insurance among several insurance companies? (3) If so, how do you determine the amount of insurance to be assigned to each company? (4) What is the smallest amount of insurance you permit any one company to write? (5) What is the largest amount of insurance you permit any one company to write?

Table XV shows by class of city the number of districts using the indicated agencies and plans for placing and distributing insurance.

TABLE XV

Public Schools - State of Kansas

PLACEMENT AND DISTRIBUTION OF SCHOOL INSURANCE

Class of City	Ins. Placed By:			Distributed on Basis of, or By:			
	City Sup't	Board of Education	Board of Insurance Agents	Equal Amounts to all Companies	Local Insurance Board	Board of Education	No Regulations for Distribution
1st	1	5	2	2	4	1	1
2d	1	42	2	14	9	8	4

No report regarding the placement and distribution

of insurance was received from one first class city. Nine second class cities failed to send data on the assignment and distribution of insurance.

Only one city of each class reported assignments made by the superintendent of schools. Melchior says that no one is so well qualified as the efficient superintendent for properly administering the items in a school budget.[1] He points out the fact that an insurance agent is less likely to approach the superintendent and demand a share of the business. After the board of education has worked out equitable plans of distribution, the superintendent should have the duty of assigning the insurance to the various companies.

In answer to the question, "How do you determine the amount of insurance to be assigned to each company", a variety of answers was received. Two first class and 14 second class cities attempt to distribute insurance equally among the several companies, without regard to size of company or amount of business done, by the company. Several of the superintendents reported, however, that only approved companies were granted the privilege of writing insurance for the school.

[1] Melchior, William T., "Insuring Public School Property", p. 65.

The Local Board of Insurance Agents determined the distribution of insurance in 4 first class and in 9 second class cities. According to the state secretary of the Kansas Association of Insurance Agents, the purpose of Insurance Boards is to "uphold right principles and oppose bad practices in insurance underwriting".[1]

Distribution of insurance was made by the board of education in one first class city and in 8 second class cities. The distribution was apparently made without any definite plan or rules, "by vote of the board", or "the board committee tells each agent how much to write".[2]

No regulations for distribution exist in one first class city and in 4 second class cities. This means that in these cities insurance is placed more or less at random among the several companies.

Because each school district has its own specific problems and variety of conditions, no general plan for the insurance of school property could be rigidly applied to all districts. However, school boards, and other school authorities should make

[1] Letter

[2] Copied from questionnaire reports.

a fair distribution among the agents that will give the maximum degree of satisfaction to all mutually concerned. This necessitates a plan that meets the approval of the insurance agents themselves, as well as the school authorities. Wichita has developed a plan that has proved satisfactory to all concerned. "The Wichita Fire and Casualty Underwriters Association is made up of the local agents, and with them is left the matter of distribution of insurance on a basis worked out by them mutually satisfactory, so far, to all concerned. Loss adjustments are also handled by them. Independent Agencies, not members of the Association, are also included in the distribution, but on a basis not as favorable as for those agencies that maintain the Association. This . . . . has been arrived at through experience here as the most satisfactory . . . ."[1] The amount to be assigned to each company is determined "on basis of taxation mainly, on dues paid into Association, and the number of companies carried by the agency".[2]

The report from Salina states that "We find the placing of insurance through the local board saves us a lot of trouble . . . . the local (insurance) board

[1] Quoted from questionnaire report.

[2] Ibid.

board divides the insurance among the companies that are members (of the local board) in proportion to the amount of business done by each company."[1]

The city of Lawrence, Kansas, has recently rewritten all school insurance, and placed it on a more equitable basis. Eighty per cent of the appraised value of buildings is covered by insurance. Appraisals are made annually, by a committee composed of the Board of Education, the building contractor, and the insurance agents. The various instructors in the schools make a yearly inventory of building contents. Depreciation of buildings is placed at one per cent annually, starting with original cost of buildings as the basis. For example, a building that cost $100,000.00 in 1920 would depreciate to the extent of one per cent annually, and in 1921 the appraised value would be placed at $99,000.00. The Board of Education have their insurance pro-rated among the companies that are members of the Local Board in proportion to the amount of business done by each company. Any one company must carry a minimum of $5,000.00, and is not permitted to write more than $25,000.00. Companies not members of the Local Board are granted insurance on a less favorable plan than that granted the board members. All policies

[1] Quoted from the questionnaire report.

are blanket form, and contain the co-insurance clause. The insurance is written for a term of three years.

Data regarding the maximum and minimum amount of insurance assigned to any one company were too indefinite for making comparisons and conclusions.

Insurance Records

Insurance records are essential for the effective administration of schools. Sixty five per cent of the 54 districts reported that some form of insurance records were kept. Included in this number were 8 first class cities and 29 second class cities. Only one first class city reported that no insurance records were kept, but 13 second class cities are deficient in this phase of insurance. Copies of these records were secured from Kansas City and Winfield. Kansas City uses a form which included the following nine headings: (1) Name of insurance company, (2) policy number, (3) date for which policy is written, (4) date at which policy expires, (5) amount of the policy, (6) insurance rate, (7) premium, (8) coverage, and (9) name of agent. In a city district that has several hundred policies, as does Kansas City, complete data is all the more essential.

Winfield uses a record of policies covering data under the following 7 heads: (1) Date of policy expiration, (2) number of policy, (3) amount of policy,

(4) premium, (5) name and address of company, (6) name of agents, and (7) the property or school covered. Either of these forms is adapted to the needs of its district as well as districts of similar size with the same or comparable problems of insurance.

Appraisal of School Buildings

The following questions regarding the appraisal of school buildings were included in the questionnaire: (1) Who determines the value of your buildings in the placement of fire insurance? (2) How frequently are buildings appraised?

Table XVI shows that in 26 of the 53 districts reporting on this phase, school authorities alone appraise their buildings. In 3 districts insurance companies do so, and in 6 districts a committee composed of school authorities and insurance men appraise the buildings. Building contractors do the appraising for 5 districts, and only 1 district employs an appraisal firm for this purpose. Thus those most skilled in the science of appraisal find little business in school districts. Under the column "some other agency", the following agencies appraise the buildings: committee composed of school authorities, building contractor, insurance company, and some other agency; valuation engineers;

school architect; committee of school authorities and building contractor, as well as a committee composed of school authorities, building contractor, and insurance company. Only one district failed to report a method of appraisal.

TABLE XVI

Public Schools - State of Kansas

METHOD OF APPRAISAL OF BUILDINGS

Number of Districts Making Appraisals of Buildings By Various Agencies

Class of City	Total No. of Districts Reporting Method	School Authority	Insurance Company	School Authority and Insurance Co.	Appraisal Firm	Building Contractor	Some Other Agency	No Method Reported
1st	9	3	0	1	1	0	4	0
2d	44	23	3	5	0	5	7	1

Frequency of making appraisals of buildings is shown in Table XVII. The frequency varies greatly. The period of greatest frequency is every five years. Seven districts make appraisal of buildings every year, one every two years, 8 every three years, 17 every 5 years, and 16 at some other frequency. "Other Time" may mean frequently or it may mean very rarely. Districts making such vague statements as "irregular", "when called",

"no regular period", "no set time", "once thus far", were listed under the column, "other time".

It is quite evident that of the 49 districts reporting the frequency of appraisal of buildings, only about 67 per cent have a definite time for appraisal, while the other 33 per cent give the matter very little attention. This later practice, in the light of sound insurance principles, is highly undesirable and should be changed.

TABLE XVII

Public Schools - State of Kansas

FREQUENCY OF APPRAISAL OF BUILDINGS

Number of Districts Making Appraisals of Buildings at Various Periods

Class of City	Total Number of Districts Reporting	Every Year	Every Two Years	Every Three Years	Every Five Years	Other Time	No Time Reported
1st	8	2	0	1	1	4	1
2d	41	5	1	7	16	12	4

Appraisal of Building Contents

Correct valuation of contents of buildings is another important phase of insurance that should receive the attention of school authorities. The

inquiry sheet called for answers to the following questions: (1) Is the value of building contents determined by taking an inventory? (2) If so, who makes the inventory? (a) How often?

The methods of appraising building contents are shown in Table XVIII on the following page. All of the 34 districts reporting some method of appraising contents stated that such appraisals were made by taking an inventory.

School authorities determined the value of contents in 32 districts, school authorities and insurance company in 1 districts, and 1 district used some other method of appraisal. Evidently, appraisal firms are rarely or never employed for this purpose. Twenty districts failed to report any method. There is some reason to believe that failure to report, in some cases at least, signified the non-existence of any definite method for appraising contents.

Of the 32 districts in which school authorities determined the valuation of building contents, it is interesting to note that city superintendents of schools made appraisals in 11 districts, and assisted the board of education in 5 other districts. Teachers determined the value of contents in 6 districts, and the board of education, alone, made the appraisals in 2

second class cities.

In first class cities the following school authorities, in addition to those already named, made appraisals of contents: principals, business manager, valuation engineers, and a committee composed of school authorities, building contractor, insurance company, and some other agency.

TABLE XVIII

Public Schools - State of Kansas

METHOD OF APPRAISAL OF CONTENTS

Number of Districts Making Appraisals of Contents of School Buildings By Various Methods

Class of City	Number of Districts Reporting Method	Appraisal With Inventory By School Authority	Appraisal With Inventory By School Authority and Insurance Company	Other Method	No Method Reported
1st	6	5	0	1	3
2d	28	27	1	0	17

Table XIX shows the frequency of making appraisal of contents. There is no uniform period that holds true for all districts, but the period of greatest frequency is annually. Eighteen districts report this frequency.

One districts appraises contents every two years, one every three years, 2 every five years, and 7 at some other frequency. This last period is doubtless very irregular and indefinite. Twenty-five districts failed to report the frequency at which appraisals were made.

TABLE XIX

Public Schools - State of Kansas

FREQUENCY OF APPRAISAL OF CONTENTS OF BUILDINGS

Number of Districts Making Appraisal of Contents at Various Frequencies

Class of City -- -- --	Total Number of Districts Reporting Frequency	Frequency of Making Appraisals					No Method Reported -- --
		Every Year -- -- --	Every Two Years -- -- --	Every Three Years -- -- --	Every Five Years -- -- --	Other Frequency -- -- --	
1st	6	5	0	0	0	1	3
2d	23	13	1	1	2	6	22

The appraisal of contents at the time of expiration of policy is to be commended, because this makes it possible to renew upon the basis of the actual sound value existing at the then present time. The old sound value should not be continued when the policy is renewed. "Many insurance men advocate that, for the good of the school and the company a semi-annual, thorough inspection by the

company, accompanied by the superintendent or his representative, should be made. Others suggest that this inspection be supplemented by a monthly inspection by school authorities . . . . Frequent appraisals, if properly made, discover hazards if they exist, and save dollars . . . . The value of scientific and frequent appraisals for the sole purpose of arriving at sound value for insurance purposes might prove to be not commensurate with the expenses involved. The frequency of appraisals for this purpose alone must therefore, be determined by the local district; but when the one big purpose is an induced, systematic inspection, then the cost must be great before it can be excessive".[1]

[1] Melchior, William T. "Insuring Public School Property", pp. 74 and 75.

Summary

1. All first class city school districts insure only in stock companies.
2. Thirty-two second class city school districts insure only in stock companies, 3 insure only in mutual companies, and 8 insure in both kinds of companies.
3. There is some doubt regarding the legality of insuring school property in mutual companies.
4. Specific policy forms are used by 30 of the districts reporting, schedule forms are used by 12 districts, 8 districts carry blanket insurance, one district uses both schedule and blanket forms, and 2 districts write insurance under all three policy forms.
5. Most of the cities write their insurance either for a term of 3 or 5 years.
6. The number of insurance policies per district, in first class cities range from 30 to 465 policies. The average number of policies per building is about seven. The total number of policies now in force in 8 first class cities is 1,286.
7. The total number of policies carried by 33 second

class city school districts is 1,671. This is an average of 10 policies for each of the 166 buildings reported. The average number of policies per district is 50, the median is 48, and the range is 2 to 130. The practice of writing an excessive number of individual insurance policies does not make for administrative efficiency, and is to be discouraged.

8. Insurance policies fall due every month of the year in at least one district, and in some cases, on several days of the same month.

9. Sixteen districts have their insurance policies written in such a matter that approximately equal amounts of the premium fall due each year.

10. Six districts pay the entire insurance premium either every 3 or every 5 years.

11. Eight districts have no regulations for the distribution of premiums.

12. All policies falling due the same year, should expire on the same date of that year.

13. Fifty-one districts include insurance costs in the annual school budget.

14. School insurance was placed (assigned to companies) by the superintendent of schools in only two cities. The Boards of Education assigned the insurance for

47 districts, and the Boards of Insurance Agents made assignments for 4 districts.

15. Thirteen districts have their insurance distributed by Local Boards of Insurance Agents.

16. In 9 districts the insurance is distributed by the Board of Education for that district.

17. Several districts pro-rate insurance among the companies on the basis of the amount of business done by each company.

18. Sixty-five per cent of the districts reported some form or method of keeping insurance records.

19. School authorities alone appraise the school buildings for insurance purposes in 26 districts.

20. Appraisal firms do practically no appraising for school districts.

21. Thirty-three districts appraise school buildings at regular intervals usually every 1, 3, or 5 years.

22. Practically every district appraises contents of school buildings every year, by taking an inventory. The inventory is taken by school authorities.

CHAPTER VIII

THE AMOUNT OF INSURANCE CARRIED ON PUBLIC SCHOOL PROPERTY

In order to link up methods of insuring with costs, a study of amounts is essential.

One of the questions asked in the questionnaire was the following: What is the total amount of insurance carried on all buildings? The amounts reported represent totals, but not all of the districts carry insurance on buildings, contents, and fixed improvements. Under "Kinds of Insurance" 19 districts reported buildings, contents, and fixed improvements insured, 31 reported insurance on buildings and contents, and only 4 districts insured buildings alone. Six districts failed to report the total amount of insurance carried.

Table XX shows by class of district the "total amount of insurance carried on all buildings" in 48 first and second class cities. The total for first class cities reaches the sum of $14,408,059.00, and represents protection for 201 buildings. The average per district and per building, respectively, is $1,578,673.00 and $71,681.00. In second class cities the total amount carried on 180 buildings is

$10,964,132.00, an average of $281,132.00 for each district, and $60,467.00 for each building. Amounts for each city separately are listed on pages 78 and 79.

TABLE XX

Public Schools - State of Kansas

TOTAL AMOUNT OF INSURANCE CARRIED ON ALL BUILDINGS

Class of City --	Number of Districts Reported	Number of Buildings Reported	Total Amount of Insurance Carried	Average Amount per District	Average Amount per Building
1st	9	201	$14,408,059	$1,578,673	$71,681
2d	39	180	$10,964,132	$ 281,132	$60,467

Data regarding the amounts of insurance on buildings and contents separately and combined were secured for a limited number of buildings. The amount of insurance carried on 127 buildings, representing 11 districts, is shown in Table XXI. Sixty buildings in first class cities are insured for a total of $3,083,600.00, ranging in amounts of $5,500.00 to $336,000.00 on each building. The middle range is $24,704.00 to $60,000.00, the median is $42,353,00, and the average amount per building is $51,339.00.

Sixty-seven buildings in second class cities are

insured for a total of $2,855,370.00, ranging from $1500.00 to $350,000.00 per building. The middle range is $16,064.00 to $53,750.00, the median is $31,052.00, and the average is $42,000.00. Buildings in first class cities have higher valuations on the average, than buildings in second class cities, and are therefore insured for greater amounts.

TABLE XXI

Public Schools - State of Kansas

AMOUNT OF INSURANCE CARRIED ON 127 BUILDINGS

Class of City	Number of Bldgs	Total Amount of Insurance	Range of Amounts	Middle Range --	Median -- --	Average --- ---
1st	60	$3,085,600	$5,500 to $336,000	$24,704 to $60,000	$42,353	$51,339
2d	67	$2,855,370	$1,500 to $350,000	$16,064 to $53,750	$31,052	$42,617

The amount of insurance carried on the contents of 49 buildings in second class cities is indicated in Table XXII. The contents of the 49 buildings are insured for a total amount of $229,150.00, The extreme range is from $150.00 to $25,000.00, and the middle range is $1142.00 to $7375.00. The median amount on contents per building is $2,625.00, while the average is $4,676.00.

TABLE XXII

Public Schools - State of Kansas

AMOUNT OF INSURANCE ON CONTENTS OF 49 BUILDINGS

Class of City	Total Amount of Insurance	Number of Bldgs	Range of Amounts	Middle Range --	Median -- --	Average -- --
2d	$229,000	49	$150 to $25000	$1142 to $7375	$2625	$4676

Table XXIII gives the amount of insurance on buildings and contents combined, for 49 buildings in second class cities. The total amount of insurance is $2,280,320.00, and the extreme range per building is from $1,800.00 to $225,000.00. The middle range is $19,300.00 to $64,332.00. The median and average are $36,154.00 and $46,537.00, respectively.

TABLE XXIII

Public Schools - State of Kansas

AMOUNT OF INSURANCE ON BUILDINGS AND CONTENTS COMBINED

Class of City	Number of Bldgs	Total Amount of Insurance	Range of Amounts	Middle Range --	Median -- --	Average --- ---
2d	49	$2,280,320	$1,800 to 225,000	19,300 to 64,332	$36,154	$46,537

The Ratio of Insurance to Value

The ratio of insurance to value is a phase of insurance practice closely connected with the amount carried, and demands the attention of school authorities. The question is often raised: What should be the ratio of insurance to actual value of the property insured? Even with rather complete data on premiums paid out and indemnities collected, this question is difficult to answer. However, "It should always be remembered that any departure from full insurance is an assumption of risk, and the question to be decided is whether or not the premium saved warrants the risk being taken. The answer should be based on expert analysis of conditions and scientific study of data".[1]

The following question was included in the insurance inquiry: What per cent of the appraised value of your insured buildings is covered by insurance?

The relative ratio of insurance to appraised value for each class of district is shown in Table XXIV, on the following page. The similarity in practice between first and second class city school districts is clearly shown by the table.

[1] Melchior, William T., "Insuring Public School Property", p. 84.

TABLE XXIV

Public Schools - State of Kansas

RATIO OF INSURANCE TO APPRAISED VALUE IN FIRST AND SECOND CLASS CITIES

Class of City	Number of Cases	Median Ratio --	Average Ratio ---	Range of ratios	
				Extreme	Middle
1st	9	83.64	73.3	20 to 90	80.18 to 83.45
2d	41	85.05	79.9	40 to 90	80.94 to 87.55

The above figures show that public school buildings, contents, and fixed improvements are insured to approximately 85 per cent of their actual appraised value. The lowest ratio for first class cities is 20 per cent, and for second class cities the lowest is 40 per cent. Most districts (7 first class and 33 second class city districts) insure either for 80 or 90 per cent of the appraised value. This rather high average meets the recommendations of insurance companies.[1] Only 10 districts (about 18 per cent) report insurance for less than 80 per cent of the total appraised value.

[1] Melchior, William T., op. cit., p. 85-86.

Co-insurance

Co-insurance places a definite limitation upon the amount of indemnity to be paid in case of loss, and is, therefore, an important part of this chapter.

Perhaps no insurance term is more misunderstood and complicated than the term "co-insurance". A very clear definition and discussion of co-insurance is given by Johnson.[1]

The purpose of co-insurance is to prevent under-insurance, by compelling the insured to become a co-insurer for the difference which he does not cover with insurance between 80 per cent (where 80 % is the clause included) of the value of the property and the actual amount of insurance. For example, suppose a piece of property is valued at $20,000.00. Eighty per cent of that amount is $16,000.00; but suppose the actual amount of the insurance carried was only $12,000.00. Then, under the 80% co-insurance clause, since $12,000.00 is only three fourths of $16,000.00, the companies will pay three fourths of any loss, making the insured co-insurer for the remaining one fourth. If $16,000.00 insurance had been carried, the company would have paid the entire loss. If the actual loss had been $8,000.00,

[1] Johnson, Albert A., Fire Insurance For School Buildings. American School Board Journal, Sept. 1915, p.14.

the obligation of the company would be three fourths of that amount, or $6,000.00.

Thomas[1] cites the following objections against co-insurance: (1) it demands a high covering of building values, (2) it increases the premium, (3) it works less profitably for the insured than would a stated sum policy. Another objection is the following: If school authorities do not carry an amount of insurance equal to the required percentage, in case of a partial loss the insured does not received the full indemnity expected. This is simply an illustration of the third objection listed above. In view of the evident disagreement regarding the advantages and disadvantages of co-insurance, no final conclusions can be stated.

In order to discover to what extent districts in first and second class cities of Kansas used the co-insurance clause, the following questions were asked in the inquiry: (1) Do your policies contain the co-insurance clause? (2) If so, state the percentage.

Reports were received from 7 first class cities and 26 second class cities. Table XXV shows the total number of districts insured under each per cent in each class of city.

[1] Thomas, R.H. Investigation of a System of Appraisal of School Properties. American School Board Journal, June, 1919, p. 92.

TABLE XXV

Public Schools - State of Kansas

CO-INSURANCE CLAUSES OF FIRE INSURANCE POLICIES

Total Number of Districts Insured Under Each Per Cent In Each Class of City

Class of City	Total Number of Districts Reported	Co-insurance				No Co-insurance Carried	Number of Districts Not Reporting Co-insurance
		90%	80%	70%	50%		
1st	7	3	4	0	0	2	0
2d	26	14	11	2	3	11	8

The above figures show that 17 districts write 90% co-insurance, 15 write 80%, 2 write 70%, 2 write 50%, and 13 districts write no co-insurance at all. Eight second class cities did not report this item.

To what extent do Kansas school authorities actually insure to required value, under the various clauses? All except 3 districts insured to the full required amount, that is, the property was insured to the same percentage ratio as the per cent called for in the co-insurance clause. The three exceptions insured as follows:

Co-insurance Percentage	Ratio of Insurance to Value
70 and 80	48.2
80	50
70	50

Summary

1. Nine districts, representing a total of 201 buildings in first class cities carry $14,408,059.00 insurance on buildings, contents, and fixed improvements.
2. The total amount of insurance carried by 39 second class cities on 180 school buildings is $10,964,132.00.
3. The average amount of insurance per building in first class cities is $71,681.00. In second class cities the average amount per building is $60,467.00.
4. For 60 buildings in first class cities, the range of amounts of insurance carried on each building is $5,500.00 to $336,000.00. The range for 67 buildings in second class cities is $1500.00 to $350,000.00.
5. The amount of insurance carried on building contents of 49 second class city school buildings ranges from $150.00 to $25,000.00 per building.
6. The average ratio of insurance to appraised value in first and second class cities combined is 76.6 per cent. The range of ratios is 20 to 90 per cent.
7. Thirty-seven first and second class city districts reported co-insurance clauses of 50, 70, 80, and 90 per cents.

CHAPTER IX

INSURANCE COSTS AND LOSSES

The purpose of this chapter is to show the actual premium costs of fire insurance over a period of years, and the amount of indemnity collected during those years.

The insurance questionnaire called for the following information: (1) Total cost of fire insurance on school buildings, contents, and fixed improvements for the five years 1923 to 1927, inclusive, and (2) the total amount of indemnity collected for fire losses during the same period of years.

No attempt is made to prove that insurance does or does not pay, for there are other important factors that must be considered in addition to the ratio of premium costs to amount of indemnity collected. Even though a district pays out premiums far in excess of the collected indemnities, there is still ample justification for carrying a reasonable amount of insurance.

Complete returns on costs and losses were received from 6 first class cities and 23 second class cities. Table XXVI shows by class of city the comparison of premium costs and indemnities for 29 cities.

TABLE XXVI

Public Schools - State of Kansas

COMPARISON OF PREMIUM COSTS AND INDEMNITIES COLLECTED ON LOSSES INCURRED IN 30 CITIES

Data For 281 Buildings - Contents and Fixed Improvements For a Five Year Period, 1923-27.

Class of City	Premium Costs For 5 Years	Indemnity Collected On All Losses For 5 Years	Excess of Premium Paid over the Indemnity Collected For the 5 Years	Ratio of Indemnity Collected to the Premium Costs
1st	$177,315	$8,142	$169,173	1 to 20.7
2d	$86,590	45,121	$41,469	1 to 1.9

The above table summarizes the costs of premiums and collected indemnities for 170 buildings in first class cities and for 111 buildings in second class cities. The excess of premiums over the collected indemnities in first class cities is very great, being in the ratio of 20 to 1 . This raises the question of self-insurance out of a fund provided by the school district, - a procedure advocated by a number of school authorities, on the grounds that it means a considerable saving in insurance premiums. In second class cities the premiums for five years are approximately twice the amount collected for losses. If the above figures

hold true for a large number of cases over a long period of time, it is quite evident that the insurance of school property is quite profitable for insurance companies. However, the above figures are not sufficiently complete for warranting such a conclusion. The only safe conclusion that can be drawn is the following: Insurance premiums over a five-year period in 30 first and second class cities of Kansas are far in excess of the amount collected for losses during the same period of years.

Table XXVII gives the amount, extreme range, median, and average of fire insurance premiums in first and second class city school districts for a five-year period.

TABLE XXVII

Public Schools - State of Kansas

AMOUNT OF PREMIUMS ON SCHOOL BUILDINGS FOR 5 YEARS

Range, Median, and Average in Each Class of City

Class of City	Number of Bldgs	Amount of Premium	Range of Premiums --	Median -- --	Average --- ---
1st	170	$177,315	$10,000 to $59,049	$30,000	$29,562
2d	111	$ 86,590	1,250 to $10,000	$3,100	$3,764

The preceding table shows that the range of amounts expended for premiums over a five-year period in first class cities is $10,000.00 to $59,049.00, the median is $50,000.00, and the average is $29,562.00. For second class cities the range is $1250.00 to $10,000.00, the median is $3,110.00, and the average is $3,764.00.

Tables XXVIII and XXIX give the insurance rates under different terms, in first and second class cities, respectively. The tables are presented merely to show trends in rates, and not for purposes of comparison. In order to make adequate comparisons it would be necessary to have the rates presented by building types, for the rate varies with the type of building and the fire hazards.

TABLE XXVIII

Public Schools - State of Kansas

INSURANCE RATES - FIRE INSURANCE

Fire Insurance Rates in Four First Class Cities		
Co-insurance Five-Year Term	Co-insurance Three-Year Term	Co-insurance Schedule Form
* 1.216	.6018 .908	1.244

* The above rates are for $100.00.

TABLE XXIX

Public Schools - State of Kansas

INSURANCE RATES - FIRE INSURANCE

Fire Insurance Rates in 13 Second Class Cities			
Co-insurance Two-Year Term	Co-insurance Three-Year Term	Co-insurance Five- Year Term	Co-insurance Four-Year Term
.407	1.650 1.090 .706 .962 .428	1.646 .951 .424 .372 .304 .932	.757

In addition to the above rates, two second class cities reported 1.02 and 1.14, respectively, as rates on policies that did not include the co-insurance clause.

"An ounce of prevention is worth a pound of cure" applies quite as well to the reduction of insurance hazards as to other problems. The school authorities should seek to reduce the fire hazards in every possible manner. In order to do this, it is helpful to know the causes of fires in schools.

Table XXX gives the loss records and causes of fires in schools and colleges of Kansas over the eight-year period, 1920-1927, inclusive. These data were compiled from the Annual Reports of the State Fire Marshal, Topeka, Kansas.

TABLE XXX

Schools and Colleges - State of Kansas

CLASSIFICATION OF FIRES BY CAUSES - LOSS RECORDS

1920-1927

Source and Cause of Fires	Number	Loss in Dollars
Chimneys, flues, cupolas, and stacks, overheated or defective	25	$ 79,920.00
Electricity	4	190,190.00
Explosions, except from petroleum products	3	4,400.00
Exposure	2	2,575.00
Hot ashes and coals	2	7,847.00
Gasoline	1	400.00
Hot grease, oil, tar, wax, asphalt, ignition of.,	2	700.00
Incendiarism	11	42,227.00
Lightning, not rodded	11	80,698.00
Lightning, rodded	1	200.00
Matches	6	9,872.00
Miscellaneous, causes known but not classified	10	38,879.00
Open Fires	2	375.00
Open lights	1	7.00
Kerosene	1	3,500.00
Other forms of petroleum	2	425.00
Rubbish and litter	2	450.00

TABLE XXX (Continued)

Source and Cause of Fires	Number	Loss in Dollars
Smoking - cigars, cigarettes, and pipes	6	3,650.00
Sparks on Roof	26	44,783.00
Sparks from running machinery	1	50.00
Spontaneous combustion	14	46,447.00
Stoves, Furnaces, Boilers, and their pipes	18	72,071.00
Unknown	57	506,383.00
TOTALS	208	1,136,029.00

The above figures show that a large percentage of school fires are of unknown origin. Those of which the origin is known are caused by sparks on the roof, defective stoves and heating apparatus, spontaneous combustion, defective flues and chimneys, incendiarism, lightning, miscellaneous causes, and smoking. Other causes are listed, but they occur with rare frequency.

Summary

The ratio of indemnity collected to the premium costs in 6 first class cities over a period of five years was 1 to 20.7. The ratio in second class cities

was one to approximately two. The excess of premiums paid over the indemnity collected for five years in 30 first and second class cities was $210,642.00. These figures represent a total of 281 buildings. The range of premiums per district for first class cities was $10,000.00 to $59,000.00. The range for second class cities was $1,250.00 to 10,000.00. Insurance rates vaby greatly, depending partly upon the type of building and the risk involved. Classification of causes of fires in schools and colleges over an eight-year period shows that sparks on the roof, defective heating apparatus, spontaneous combustion, defective flues and chimneys, incendiarism, and miscellaneous causes are responsible for practically all fires reported, A surprisingly large number of school fires are of unknown origin.

For the state as a whole, insurance is a poor investment, but this does not necessarily hold true for separate and individual districts. Out of every dollar paid for insurance by the 30 districts reporting, 80 cents remained with the insurance company.

CHAPTER X

SUMMARY AND RECOMMENDATIONS

This study is a rather detailed report of insurance practices, methods, costs, and losses in 54 first and second class city school districts. The problem is to discover fact regarding insurance practices, present these facts, and suggest plans and principles for the improvement of procedure and methods.

The outstanding facts in regard to the insuranc practices as found in the 54 first and second class cities of Kansas, according to the answers to the inquiry sheet used in this study, are summarized in the following tables: II, III, VII, VIII, XI, XII, XIII, XIV, XV, XVI, XVII, XVIII, XIX, XX, XXII, XXIV, XXV, XXVI, and XXX.

On the basis of this study, the author makes the following recommendations:

(1) School authorities are under obligations to preserve and protect the property entrusted to their care. Where the fire hazards due to location, exposure, construction, and occupancy are great, authorities cannot afford to do otherwise than purchase the maximum protection at the minimum cost.

(2) Small school systems cannot afford not to insure their property against the hazards of fire and windstorm. Boiler insurance should also be carried, in order to provide the regular inspection service which goes with the insurance. The needs for other kinds of insurance depend upon the local conditions.

(3) Insurance is a local matter, and must be adjusted to local needs after a careful study of the conditions.

(4) Since no indemnity for damages above the actual cost of property can be collected from the insurance companies, it is necessary for each district to make a careful analysis of school property values. This is done by appraisal. The best value for insurance purposes is sound value, or replacement cost minus depreciation.

(5) Appraisal of buildings should be made by persons having engineering skill and a knowledge of school building standards. The value of appraisals depends upon the competency of the appraisal board and upon the regularity with which appraisals are made.

(6) The principal of each school should be required to make periodic inspection of the plant under his care, in order to check the specific items

contributing to fire hazards. In larger cities, this task may be performed by some other authority.

(7) Educational authorities at present can do little more to modify insurance rates than to reduce the fire hazards by building better buildings, by insisting on the reduction of fire hazards, and by giving fire-prevention instruction.

(8) Schedule rating for insurance purposes provides for modification of the rate in terms of the risk involved, and is to be preferred to the flat rate procedure.

(9) Before insuring with mutual companies, all school authorities should satisfy themselves regarding the legality of such procedure, as well as the rating of the insurance companies.

(10) Insurance policies should be of legal form. The blanket form is preferred by some districts, and is perhaps the most advantageous form to use.

(11) If insurance is allocated to several companies, the amount assigned to any one company may be determined upon the basis of the amount of business done by any one company.

(12) In order to simplify records, reduce the number of policies to be handled, and the expense due to adjustment of fire losses, maximum and minimum

amounts should be set up for each insurance agency.

(13) Instead of writing a large number of policies through several agencies in one company, one general policy should be written, in which all agencies of the company participate.

(14) Where a large number of policies are held, it would be well for them to fall due in such a manner as to have each year's budget provide an equal proportion of the total insurance premium. This would simplify accounting, and provide a much more convenient way for making payments, especially if the yearly amounts to be paid fall due on a fixed date.

(15) Insurance records are essential, and may be kept in card form or on regular accounting sheets of the school district. Headings necessary for a complete record are shown on pages 45 and 46 of this report.

(16) Authorities disagree as to the desirability of including the co-insurance clause in the policy. If co-insurance is included, the essential precaution to observe is that of making sure that the ratio of insurance to value is at least equal to the per cent of the co-insurance clause.

(17) The plans suggested for the distribution of insurance are too numerous to describe here. Those described on pages 43 and 44 are recommended to the reader desiring further information.

NAME OF CITY	----KINDS OF INSURANCE---- Boiler Ins.	Auto Ins. -	Lightning Ins.	Wind Storm Ins.	FIRE INSURANCE ON: BLDGS	CONTENTS	FIXED Improv.	Ins. on Ath. Events	No. Bldgs Insured vs. Hail	DATA ON SCHOOL BUILDINGS No. of Bldgs Reported	No. of Bldgs Insured	Total Amount of Insurance Carried	Per Cent Of Appraised Val. Insured	Foundations, Pipes, etc. Included in Ins.?
Atchison	*				*	*	*			6	6	$ 800,000.00	80	Yes
Fort Scott	*				*	*	*			7	7	693,500.00	80	No
* Kansas City	*	*	*	*	*	*				56	56	3,509,550.00	80	No
Leavenworth	*	*		*	*	*	*			11	11	338,800.00	50	Yes
Parsons	*			*	*	*		*		8	8	1,066,000.00	90	No
Pittsburg	*		*	*	*	*	*			10	10	358,000.00	20	
Salina	*	*	*	*	*	*	*			14	14	852,705.00	90	No
Topeka	*	*	*	*	*	*	*			32	32	2,318,804.00	80	No
* Wichita	*	*	*	*	*	*	*			57	57	4,270,700.00	90	No
Abilene	*			*	*	*	*			6	6	200,000.00	90	No
Arkansas City	*		*	*	*	*		*	9	9	9		90	Yes
Augusta	*		*	*	*	*		*	5	5	5	403,087.00		No
Belleville	*			*	*	*	*			4	4	181,100.00	80 & 90	
Beliot	*		*	*	*	*			3	3	3	176,000.00	90	Yes
Burlington				*	*	*		*		3	3	266,000.00	90	Yes
Chanute		*	*	*	*	*	*	*		9	9	605,100.00	60	Yes
Cherryvale	*			*	*	*		*		6	6	250,000.00	80	Yes
* Concordia	*			*	*	*				8	8	327,500.00	80	No
Dodge City	*		*		*	*			6	6	6		90	No
Emporia	*			*	*	*				9	9	472,700.00	48	Yes
Fredonia	*		*	*	*	*	*		3	3	3	400,000.00	90	Yes
* Frontenac		*	*	*	*	*			3	3	3	112,000.00	90	Yes
Garden City	*		*	*	*	*	*		6	6	6	208,700.00	90	Yes
Girard				*	*	*	*			5	5			Yes
Goodland				*	*	*	*		4	4	4	340,000.00	85	No
Great Bend	*		*	*	*	*	*		5	5	5	351,000.00	90	Yes
Hays			*	*	*	*				4	4			Yes
Herington	*			*	*	*		*	4	4	4		90	Yes
Hiawatha	*			*	*	*				5	5	146,500.00	80	No
Hoisington			*	*	*	*				4	4		90	No
Holton				*	*			*		4	4	55,000.00	40	No
Horton	*			*	*	*	*	*		3	3	297,800.00	85	
Humboldt				*	*	*			1	3	3	75,000.00	40	No
Iola	*	*	*	*	*			*		8	8	834,800.00	90	No
Kingman	*	*	*	*	*	*				4	4	177,500.00	90	No
Kinsley				*	*	*				4	4	205,100.00	70	No
La Harpe			*	*	*	*		*	1	1	1	65,000.00	80	Yes
Larned	*		*	*	*	*	*		5	5	5	185,000.00	80	No
* Lawrence					*	*				11	11	639,200.00	80	No
Lindsborg	*			*	*	*	*			3	3	100,000.00		
McPherson	*		*	*	*					4	4	252,000.00	60	Yes
Manhattan	*			*	*	*				6	6	538,325,00	80	Yes
Marion	*		*	*	*	*	*	*	3	3	3	117,300.00	90	No
Newton	*		*	*	*	*		*		6	6	550,000.00	90	
Norton	*			*	*	*			1	1	1	110,000.00	90	Yes
Olathe	*			*	*	*				7	7	682,000.00	90	Yes
Osawatomie				*	*	*			1	3	3	154,900.00	80	Yes
Osborne	*			*	*	*				5	5	174,000.00		Yes

NAME OF CITY	--- KINDS OF INSURANCE --- Boiler Ins.	Auto Ins. -	Lightning Ins.	Wind Storm Ins.	FIRE INSURANCE ON: BLDGS	CONTENTS	FIXED IMPROV.	Ins.on Ath. Events	Bldgs Ins.v Hail	DATA ON SCHOOL BUILDINGS No. of Bldgs Reported	No. of Bldgs Insured	Total Amount Of Insurance Carried	Percent of Appraised Val.Insured	Foundations, Pipes,etc.Included in Ins.?
Ottawa	*	*		*	*	*				6	6	$ 312,000.00	80	No
Pratt	*			*	*	*				3	3	290,000.00	90	
* Sabetha			*	*	*	*				2	2	120,000.00	80	Yes
Scammon				*	*				2	2	2	20,000.00	90	No
* Winfield	*	*	*	*	*	*			7	7	7	489,520.00	80	Yes
Yates Center				*	*			*				80,000.00	70	No

* Wichita, Concordia, Frontenac, Sabetha, and Winfield carry public liability insurance, also. The public liability in Wichita is carried against accidents arising from the transportation of colored children to schools removed some distance from their place of residence.

Kansas City, Lawrence, and Winfield carry burglary insurance.

Frontenac is the only district that has insurance on plate glass.

It should be noted that the asterisk (*) under the above items simply means that the respective cities carry that kind of insurance.

APPRAISAL OF BUILDINGS - Insurance POLICIES

NAME OF CITY	Appraisal How Often? (In Years)	No. of Policies Carried	Policy Terms, in Yrs.	Policy Forms Sp	Sc	B	Is Co= Insurance Written?
Atchison	5	35	5	*			Yes
Fort Scott	Irregular	131	5	*			Yes
Kansas City	Irregular	465	3	*	*	*	Yes
Leavenworth	Irregular	160	1,3,5	*			No
Parsons	Irregular	54	3,5			*	Yes
Pittsburg			3	*			No
Salina	3	56	3			*	Yes
Topeka	1	188	1,3,5	*	*	*	Yes
Wichita	5	221	5			*	Yes
Abilene	5		5		*		Yes
Arkansas City	1	40	5		*		Yes
Augusta	5	32	5		*		Yes
Belleville	Irregular	41	1,3,5	*			Yes
Beloit	5	18	5		*		Yes
Burlington	5	51	5		*		Yes
Chanute	Irregular	125	3	*			No
Cherryvale	Irregular	63	5		*		Yes
Concordia	Irregular	39			*		Yes
Dodge City	5	55	5	*			Yes
* Emporia	1	104	3	*			Yes
Fredonia		46	3		*	*	
* Frontenac	1	7	1,5	*			Yes
Garden City	5	About 75	5			*	Yes
Girard	Irregular	44	5	*			No
Goodland	3	41	3	*			No
Great Bend	1		5			*	Yes
* Hays	5		5	*			Yes
Herington	3		1,3,5		*		Yes
Hiawatha	About 5	51	3		*		Yes
Hoisington	Irregular		3	*			Yes
Holton	Irregular	20	5	*			No
Horton	1	73	1,2	*			No
Humboldt	3		3	*			No
Iola	Irregular	52	3		*		Yes
Kingman	3		3			*	Yes
Kinsley	5	26	5	*			Yes
La Harpe	3	5	3		*		
Larned	Irregular	40	3	*			Yes
Lawrence	5	62	3			*	Yes
Lindsborg			5	*			
McPherson		48	5	*			No
Manhattan	Irregular		1,2,3,4,5	*			Yes
Marion	5	58		*			Yes
Newton	3 or 5		5	*			Yes
Norton	5		5				Yes
Olathe	5	40 - 50	5	*			No

APPRAISAL OF BUILDINGS - INSURANCE POLICIES

NAME OF CITY	Appraisal How Often? (In Years)	No. of Policies Carried	Policy Terms, In Yrs.	Policy Forms Sp	Sc	B.	Is Co-Insurance Written?
Osawatomie	2	38	3,5	*			
Osborne	5	23	3,5		*		
Ottawa	Irregular		2,3,4,5		*		Yes
Pratt	Irregular	72	3,5	*			Yes
Sabetha	3	50	3	*			No
Scammon	5	2	5	*			No
Winfield	5	95	5			*	Yes
Yates Center	3	4	3,5	*			Yes

* Emporia, Frontenac, and Hays write policies containing the Co-insurance clause, but some of the policies for each of these cities do not contain this clause.

The asterisk (*) when used as a check, simply signifies that this item is true for the particular city represented.

Under the column, "Policy Forms", the abbreviations have the following meanings:

Sp Specific, Sc Schedule, B Blanket.

INSURANCE COSTS AND LOSSES FOR 30 CITY SCHOOLS IN KANSAS FOR A FIVE-YEAR PERIOD - 1923-1927

NAME OF CITY	INSURANCE COSTS FOR FIRE PROTECTION	INDEMNITY COLLECTED FOR LOSSES
Atchison	$10,000.00	$ 4,000.00
* Kansas City	$29,707.95	683.00
Leavenworth	$10,072.05	None
Parsons	$18,086.28	200.00
Saline	$ 8,500.00	587.25
Topeka	30,108.38	2,205.00
Wichita	59,049.49	1,054.95
Abilene	3,050.00	None
Arkansas City	10,000.00	2,175.00
Beloit	2,187.35	800.00
Burlington	1,687.50	None
Emporia	4,044.97	None
Fredonia	3,000.00	None
Frontenac	2,500.00	20,000.00
Garden City	3,545.65	None
Herington	2,600.00	None
Hoisington	4,106.65	None
Holton	1,250.00	None
Horton	5,000.00	None
Humboldt	1,500.00	None
Iola	9,004.64	8,661.83
* Kinsley	1,592.36	None
Lawrence	6,588.72	11,950.29
McPherson	3,246.00	None
Norton	1,424.06	None
Osborne	1,667.92	None
Ottawa	3,685.84	None
Pratt	2,352.67	55.00
Sabetha	2,695.91	None
Winfield	9,000.00	None

* Reports from Kansas City and Kinsley are for three years instead of five.

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